December 31, 2015

Erik Jacobson
Director, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

SUBJECT: Calculation of the 2015 Net Energy Metering Cap for Electric Rate Schedules NEM, NEMVMASH and NEMV Pursuant to Ordering Paragraph 3 of Decision (D.) 12-05-036

Dear Mr. Jacobson:

Advice Letter 4715-E is effective as of October 1, 2015.

Sincerely,

Edward Randolph
Director, Energy Division
October 1, 2015

Advice 4715-E
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Calculation of the 2015 Net Energy Metering Cap for Electric Rate Schedules NEM, NEMVMASH and NEMV Pursuant to Ordering Paragraph 3 of Decision (D.) 12-05-036

Purpose

As required by Ordering Paragraph 3 of Decision (D.) 12-05-036 and a subsequent clarifying Commission ruling (Ruling), Pacific Gas and Electric Company (PG&E) submits the 2015 calculations for its net energy metering cap (NEM Cap) delimiting the customer generating capacity that may take service under PG&E’s net energy metering Rate Schedules (i) NEM – Net Energy Metering Service, (ii) NEMVMASH – Virtual Net Energy Metering For Multifamily Affordable Housing (MASH/NSHP) With Solar Generator(s) and (iii) NEMV – Virtual Net Energy Metering For A Multi-Tenant or Multi-Meter Property Served At The Same Service Delivery Point.

Background

The NEM Cap is currently set at 5% of aggregate customer peak demand. On May 24, 2013, the Commission issued D.12-05-036 clarifying that aggregate customer peak demand means the aggregation, or sum of individual customers’ peak demand, referred to as the non-coincident peak demand. Based on this Decision and the subsequent ruling, PG&E’s 5% NEM Cap corresponds to 2,408.85 MWs for 2015.

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1 D. 12-05-036 http://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_DECISION/167591.PDF
2 Assigned Commissioner’s Ruling Providing Instructions on Calculation of Non-Coincident Aggregate Customer Peak Demand Pursuant to Ordering Paragraph 3 of Decision 12-05-036 http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M027/K113/27113341.PDF
3 AB 510 signed by the Governor on February 26, 2010, and effective January 1, 2011, adopted the 5% cap. (http://www.leginfo.ca.gov/pub/09-10/bill/asm/ab_0501-050/ab_510_bill_20100226_chaptered.html). PG&E modified its NEM tariff in AL 3778-E to include the new 5% cap.
D.12-05-036 also required PG&E\textsuperscript{4} to file an advice letter with revised net energy metering tariffs to conform to Ordering Paragraph (OP) 1 and to the instructions by the assigned Commissioner on the methodology for calculating non-coincident aggregate customer peak demand in OP 3. As required by that decision, Energy Division held a workshop to discuss methods for estimating non-coincident aggregate customer peak demand. On September 4, 2012, former Commissioner Michael Peevey issued a Ruling\textsuperscript{5} instructing the utilities on the methodology to be used for calculating the non-coincident aggregate customer peak demand. PG&E submitted Advice Letter (AL) 4122-E on October 4, 2012, and it became effective November 3, 2012 establishing the 2012 NEM Cap.

This Advice Letter repeats the calculation from AL 4122-E using the data for determining the 2015 NEM Cap.

**Methodology for Calculating Non-Coincident Aggregate Customer Peak Demand**

Based on the Ruling, when calculating the non-coincident aggregate peak demand, PG&E is required to:

- Use load research data to calculate non-coincident aggregate peak demand;

- Use a four-year moving average based on annual load research data;

- Update the NEM Cap calculation annually by October 1. However, if the non-coincident aggregate peak demand decreases in a given year, the NEM Cap will remain at the previously determined level and may not decrease below the most recent level determined;

- Use 15- or 30-minute interval data for calculating the non-coincident aggregate customer peak demand when incorporating data prior to 2015 into the four-year moving average. Use 15-minute interval data for load research data when including 2015 and subsequent year’s data in the four-year moving average.

- Beginning October 1, 2013, and every year thereafter, PG&E is to file an advice letter to calculate its NEM Cap based on the four year average of the most recently available annual non-coincident peak load data, which for 2015 will consist of 2010-2013 non-coincident peak demand data.

**Calculation of the 2015 NEM Cap**

\textbf{A. Calculation of the 4-year Moving Average Non-coincident Aggregate Peak Demand}

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\textsuperscript{4} Along with Southern California Edison Company, and San Diego Gas and Electric Company.

\textsuperscript{5} See footnote 2.
PG&E calculation of the average is as follows:

### Four Year Non-Coincident Peak Average for 2010-2013

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Non-Coincident Load (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>48,567</td>
</tr>
<tr>
<td>2011</td>
<td>46,129</td>
</tr>
<tr>
<td>2012</td>
<td>47,053</td>
</tr>
<tr>
<td>2013</td>
<td>46,958</td>
</tr>
</tbody>
</table>

2010-2013 Average 47,177

B. **The Non-coincident Aggregate Peak Demand did Decrease**

Since this year’s calculated non-coincident aggregate peak average demand of 47,177 MW decreased from last year’s average 47,399 MWs, the NEM Cap will remain at 5% of the previously determined MW level and will not be decreased.

C. **PG&E’s NEM, NEMV and NEMVMASH Interconnected Customer Generating Capacity as of August 31, 2015**

This figure is **1,621 MWs**.

D. **The Current Progress of PG&E Towards the NEM Cap**

This results in a NEM Cap calculation of $1,621 / 48,177 = 3.36\%$, which reflects the progress toward the 5% cap of aggregate customers non-coincident aggregate customer peak demand.6

**Protests**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than October 21, 2015, which is 20 days after the date of this filing. Protests should be mailed to:

6 PG&E will continue to make available on its website quarterly updates to the NEM Cap to reflect additional customer capacity participating in the program. See: [http://www.pge.com/myhome/saveenergy/money/solarenergy/nemtracking/](http://www.pge.com/myhome/saveenergy/money/solarenergy/nemtracking/)
Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest shall also be sent to PG&E either via E-mail, or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission.

Erik Jacobson  
Director, Regulatory Relations  
c/o Megan Lawson  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California  94177

Facsimile: (415) 973-7226  
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter. (General Order 96-B, Rule 7.4.) The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Rule 3.11).

Effective Date

PG&E requests that this Tier 1 advice filing become effective upon date of filing.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for Service List R.12-11-005. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission’s Process Office.
at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: http://www.pge.com/tariffs

/S/
Erik Jacobson
Director, Regulatory Relations

Attachments

cc: Service List for R.12-11-005
Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 E)**

<table>
<thead>
<tr>
<th>Utility type:</th>
<th>Contact Person: Kingsley Cheng</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ ELC</td>
<td>Phone #: (415) 973-5265</td>
</tr>
<tr>
<td>☐ GAS</td>
<td>E-mail: <a href="mailto:k2c0@pge.com">k2c0@pge.com</a> and <a href="mailto:PGETariffs@pge.com">PGETariffs@pge.com</a></td>
</tr>
<tr>
<td>☐ PLC</td>
<td></td>
</tr>
<tr>
<td>☐ HEAT</td>
<td></td>
</tr>
<tr>
<td>☐ WATER</td>
<td></td>
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</tbody>
</table>

ELC = Electric      GAS = Gas
PLC = Pipeline      HEAT = Heat
WATER = Water

**EXPLANATION OF UTILITY TYPE**

Advice Letter (AL) #: **4715-E**  
Subject of AL: **Calculation of the 2015 Net Energy Metering Cap for Electric Rate Schedules NEM, NEMVMASH and NEMV Pursuant to Ordering Paragraph 3 of Decision (D.) 12-05-036**

Keywords (choose from CPUC listing): Compliance

AL filing type: ☐ Monthly ☑ Quarterly ☐ One-Time ☐ Other _____________________________

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: **D.12-05-036**

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: ____________________

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information:
________________________________________________________________________________________

Resolution Required? ☐ Yes ☑ No

Requested effective date: **October 1, 2015**  
No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

**California Public Utilities Commission**

**Energy Division**

**EDTariffUnit**

505 Van Ness Ave., 4th Flr.
San Francisco, CA 94102

E-mail: EDTariffUnit@cpuc.ca.gov

**Pacific Gas and Electric Company**

Attn: Erik Jacobson

Director, Regulatory Relations
c/o Megan Lawson

77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

E-mail: PGETariffs@pge.com
<table>
<thead>
<tr>
<th>Company/Group</th>
<th>Legal/Consulting Firm</th>
<th>Other Organization</th>
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<tbody>
<tr>
<td>AT&amp;T</td>
<td>Don Pickett &amp; Associates, Inc.</td>
<td>OnGrid Solar</td>
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<tr>
<td>Albion Power Company</td>
<td>Douglass &amp; Liddell</td>
<td>Pacific Gas and Electric Company</td>
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<tr>
<td>Alcantar &amp; Kahl LLP</td>
<td>Downey &amp; Brand</td>
<td>Praxair</td>
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<td>Ellison Schneider &amp; Harris LLP</td>
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<td>CPUC</td>
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<td>Dept of General Services</td>
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